



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 12, 2006

S. 1950 **United States-India Energy Security Cooperation Act of 2006**

*As reported by the Senate Committee on Foreign Relations
on May 25, 2006*

SUMMARY

S. 1950 would authorize the President to establish programs that would promote cooperation between the United States and India on energy issues. Those programs could provide assistance for activities related to carbon sequestration projects, alternative fuels, energy efficiency, and technical assistance to help India develop a strategic oil reserve.

CBO estimates that implementing the bill would cost \$5 million in 2007 and \$67 million over the 2007-2011 period, assuming appropriation of the estimated amounts. Enacting the bill would not affect direct spending or receipts.

S. 1950 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1950 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars				
	2007	2008	2009	2010	2011
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	20	20	20	20	20
Estimated Outlays	5	11	15	17	19

BASIS OF ESTIMATE

Assistance to India under the bill could be provided for research, development, and implementation of the following:

- Clean coal and emission reduction technologies, including carbon sequestration projects,
- Alternative fuel sources, including ethanol,
- Energy efficiency projects, including the use of commercially available technologies in India, and
- Development of a strategic oil reserve in India.

Based on information from the Department of State about a similar program, CBO estimates that annual appropriations of \$20 million would be sufficient to provide the assistance authorized in the bill. Using historical spending patterns for these types of programs, CBO estimates that implementing S. 1950 would cost \$5 million in 2007 and \$67 million over the 2007-2011 period, assuming appropriation of the estimated amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1950 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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